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8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
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11 GGY ENTERPRISES, INC.,  
12 Plaintiff,  
13 v.  
14 SMART AUTOCARE, et al.  
15 Defendants.  
16

Case No. 5:23-cv-00656-FLA (SPx)

**ORDER TO SHOW CAUSE WHY  
THE ACTION SHOULD NOT BE  
REMANDED FOR LACK OF  
SUBJECT MATTER JURISDICTION  
RE AMOUNT IN CONTROVERSY**

1 Federal courts are courts of “limited jurisdiction,” possessing only “power  
2 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*  
3 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to  
4 lack jurisdiction unless the contrary appears affirmatively from the record. *See*  
5 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal  
6 courts have an obligation to examine jurisdiction *sua sponte* before proceeding to the  
7 merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

8 Federal courts have jurisdiction where an action arises under federal law or  
9 where each plaintiff’s citizenship is diverse from each defendant’s citizenship and the  
10 amount in controversy exceeds \$75,000, exclusive of interest and costs. 28 U.S.C.  
11 §§ 1331, 1332(a). Thus, a notice removing a case from state court to federal court  
12 must include “a plausible allegation that the amount in controversy exceeds the  
13 jurisdictional threshold.” *Dart Cherokee Basin Operating Co., LLC v. Owens*, 574  
14 U.S. 81, 89 (2014). Where “the plaintiff contests, or the court questions, the  
15 defendant’s allegation” concerning the amount in controversy, “both sides [shall]  
16 submit proof,” and the court may then decide whether the defendant has proven the  
17 amount in controversy “by a preponderance of the evidence.” *Id.* at 88–89. “Federal  
18 jurisdiction must be rejected if there is any doubt as to the right of removal in the first  
19 instance.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992).

20 The court has reviewed Defendant Smart Autocare’s Notice of Removal (Dkt.  
21 1) and it is not clear that the court has subject matter jurisdiction over this action under  
22 28 U.S.C. § 1332(a). In particular, and without limitation, the court notes that the  
23 Notice of Removal contains scant evidence of the amount in controversy.

24 The parties are ORDERED TO SHOW CAUSE, in writing only, within  
25 fourteen (14) days from the date of this Order, why this action should not be remanded  
26 for lack of subject matter jurisdiction because the amount in controversy does not  
27 exceed the jurisdictional threshold. Responses shall be limited to ten (10) pages in  
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1 length. Failure to respond timely or adequately to this Order to Show Cause may  
2 result in the court remanding this action without further warning.

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4 IT IS SO ORDERED.

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6 Dated: July 13, 2023

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9 FERNANDO L. AENLLE-ROCHA  
10 United States District Judge  
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